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3) Prime Minister Fukuda to resign; possibility of Lower House dissolution before year's end increases; Aso a likely successor

TOKYO SHIMBUN (Top Play) (Full)  
September 2, 2008

Prime Minister Yasuo Fukuda last night abruptly held a press conference and announced that he had decided to step down after judging that policies should be realized under a new lineup. Although the 72-year-old Fukuda shuffled his cabinet in August, he was unable to lift his approval ratings, which remained low. He was then forced to resign as prime minister just 11 months after taking office late last September. The ruling Liberal Democratic Party (LDP) will have to hurriedly carry out a presidential election. LDP Secretary General Taro Aso, who is regarded as a likely candidate to replace Fukuda, expressed in the early hours of this morning his strong desire to run in the race. Given that, chances are now high that a dissolution of the House of Representatives and a general

election will be carried out before the end of the year.

Fukuda cited the difficulty of his management of the politically divided Diet and his cabinet's slump in the polls as reasons for his decision to resign. He stated:

"As long as I remain in office, the opposition will prevent me from smoothly managing the Diet. There may be no change in the situation even under a new government. But in my case, there are various problems such as the cabinet support rating."

Asked when he had decided to step down, Fukuda said: "I made a final decision late last week." Asked about his announcement to quit office only one month after the cabinet shakeup, Fukuda sought understanding from the press, saying:

"The new cabinet was able to come up with an economic stimulus package. So, I thought that it would be the best time for me to

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resign now so that a political vacuum won't be created."

Fukuda became the 22nd LDP president, defeating Aso in the party's leadership race in September 2007 conducted following the abrupt resignation of his predecessor Shinzo Abe. Fukuda was elected the 91st prime minister on Sept. 25, 2007. He was the oldest son of the late Prime Minister Takeo Fukuda. It was the first time in Japan's history that a father and son became prime minister.

In an attempt to put an end to the divided Diet, Fukuda suggested last November the idea of creating a "grand coalition" to Ichiro Ozawa, president of the main opposition Democratic Party of Japan (DPJ). Ozawa, however, turned down his proposal. The ruling coalition was unable to get cooperation on important bills from the largest opposition party, which repeatedly disapproved the government's nominations for a governor of the Bank of Japan. Therefore, the ruling camp had no choice but to use two-thirds overriding votes in the Lower House in order to enact such bills as one to continue the Maritime Self-Defense Force's refueling operation in the Indian Ocean, as well as measures to reinstate provisional taxes, including a gasoline tax.

After shuffling his cabinet, Fukuda expressed his intention to put his all energy into creating a consumer affairs agency and compiling an economic stimulus package, but a rift surfaced between him and the New Komeito, the LDP's coalition partner, over when to open the next extraordinary Diet session. Also with the discovery of Agriculture, Forestry and Fisheries Ministry Seiichi Ota's office expense problem, uncertainty was looming over Fukuda's management of his administration.

4) Fukuda steps down: Lack of ability to send message to people, "negative legacies" from Koizumi administration seal premier's fate

YOMIURI (Page 4) (Excerpts)  
September 2, 2008

Prime Minister Fukuda put an end to his "cabinet launched with its back to the wall" with an abrupt announcement of his resignation. Fukuda continued to manage the government that gave priority to realizing policy goals under the motto of "conducting state affairs from the people's viewpoint", but he was not able to send a clear-cut message speedily. He was also pressed with the "negative legacies left by the Koizumi and Abe administrations," such as the pension problem. As a result, he was unable to win a satisfactory evaluation from the people.

Fukuda proposed a plan to create a consumer agency in fiscal 2009 as a measure to strengthen governance to benefit consumers under the slogan of "pursuing people-oriented administrative and fiscal reform." He also addressed the challenge of freeing up road revenues starting in fiscal 2009. On the diplomatic front, Fukuda devoted himself to upgrading Asia policy, including relations with China. In the Hokkaido Toyako Summit in July, he succeeded in bringing about an agreement on a plan to halve greenhouse gas emissions by 2050 as a long-term global goal.

Despite such efforts, public support for his cabinet remained low. One of the main reasons for it was his lack of ability to send a message to the people.

Fukuda dislikes performances. He continued to silently do his duty,

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calling his effort to deal with policy tasks "a silent revolution." An aide to Fukuda said last night: "The prime minister had said that he would not take the same stance as the Koizumi administration in conveying his views to the public. We regretted to see that he was unable to properly relay his views."

The government was also slow to deal with pending issues, dashing the expectations harbored by those close to him. When the government announced a plan to equally compensate all hepatitis C patients in a lawsuit later last year, some claimed that the political judgment came too slow as a result of priority given to legal procedures. On the occasion of the earlier cabinet shuffle, as well, since the prime minister did not easily reveal his true intentions, many in the ruling camp expressed their frustration.

5) Choosing post-Fukuda prime ministerial candidate a chaotic situation: Coordination under way with possibility of setting LDP presidential election date for September 21

SANKEI (Page 2) (Abridged slightly)  
September 2, 2008

Following Prime Minister Fukuda's announcement of his decision to step down from the post, the Liberal Democratic Party (LDP) launched coordination with the possibility of officially announcing the holding of a presidential election to choose the next president on September 8 and holding the election on the 21st. The LDP aims at spurring public interest in the election, by holding its presidential election on the same day as the selection of the president of the Democratic Party of Japan (DPJ or Minshuto). The party election board will formally set the date for the presidential election on the 2nd. Secretary General Taro Aso has already been tipped as a possible successor to Fukuda. There is also the possibility of former Defense Minister Yuriko Koike and Chief Cabinet Secretary Nobutaka Machimura declaring their candidacies. The selection of the successor to Fukuda is likely to be a chaotic situation.

The LDP rules on the official selection of its president stipulate that if its president resigns suddenly, a presidential election must be held. In cases of an emergency, the president can be selected at a joint plenary meeting of members of both houses of the Diet instead of at a party convention. A presidential election will likely take place this time.

In order for a potential candidate to be eligible to run in an LDP presidential election, he or she needs to be recommended by 20 lawmakers belonging to the LDP, excepting oneself. The present 387 lawmakers, excluding Lower House Speaker Yohei Kono and Vice President of the Upper House Akiko Santo, and local chapters will take part in the election. Votes cast by members of each chapter and its friends will be allocated to each relevant candidate. If the results of the voting find that there is no candidate who has won a majority, the top two candidates would square off against each other in the runoff taken part by lawmakers.

Aso, whose name recognition among the public is high, will be the center of the attention in the LDP presidential election to choose a successor to the prime minister.

Many New Komeito members are welcoming Aso as the next prime minister. However, the party is not unanimously supporting him with

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one mid-ranking member saying, "Even if Mr. Aso succeeds Mr. Fukuda, we would still find the next general election tough." Some New

Komeito members are recommending Koike or others as rival candidates to Aso. The outcome of the short-term runoff is unpredictable.

6) Fukuda's resignation may affect extension of refueling mission in Indian Ocean

ASAHI (Page 3) (Excerpt)  
September 2, 2008

Following Prime Minister Fukuda's announcement of his resignation, it has become uncertain whether Japan will be able to extend the Maritime Self-Defense Force's refueling mission in the Indian Ocean. Fukuda was said to be determined to resort to a revote in the House of Representatives. The current law endorsing the mission is to expire in January. Unless the law is extended, the mission will be suspended. In such a case, Japan will fail to meet the prime minister's slogan of Japan being a "peace-cooperation state" and may disappoint Western countries.

7) Long delay in convening extraordinary Diet session likely, as LDP will hold presidential election before end of month

TOKYO SHIMBUN (Page 1) (Excerpts)  
September 2, 2008

Following Prime Minister Fukuda's (president of the Liberal Democratic Party) announcement of his decision to step down from the post, the LDP will hold a presidential election before the end of September. The process of choosing a successor to the prime minister and the LDP president will likely be moved forward with the focus of attention on Secretary General Taro Aso, whom many party members support.

Since this is going to be the third replacement of a prime minister without a Lower House election, following the replacements of Junichiro Koizumi and Shinzo Abe since the last dissolution of the Diet in September 2005 over the issue of postal privatization, there is a growing possibility of the Lower House being dissolved for a snap election before the end of the year under the new prime minister.

Following the prime minister's announcement, the LDP decided to leave the setting of a date for a presidential election and the choosing of a method of voting to the party election board, chaired by Hideo Usui, to work out. The party election board is expected to hold a meeting on the afternoon of September 2. Concerning the voting method, there is the issue of whether in addition to lawmakers there should be a vote by party members by prefecture, each of which gets three votes. The LDP intends to leave the matter to each prefecture's local chapter to work out.

Once the new president is elected, there will be a Diet nomination for prime minister in both Diet chambers at the outset of the fall extraordinary Diet session. The new LDP president is set to be elected as the 92nd prime minister by a majority vote of members of the LDP and the New Komeito, which hold a majority in the Lower House.

The extraordinary Diet session was originally scheduled to be convened on the 12th. However, the timetable will likely be

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extensively delayed due to the LDP presidential election.

8) LDP presidential election: Hopes growing for Aso's popularity

ASAHI (Page 3) (Excerpts)  
September 2, 2008

Following Prime Minister Fukuda's sudden announcement of his decision to step down, the political situation has become fluid. Secretary General Taro Aso is the frontrunner in the presidential election, and the focus of attention is on who will stand against him. The opening day of the next extraordinary Diet session is set for Sept. 12, but the date is likely to be delayed to later September. The new prime minister to be appointed in the upcoming

Diet session will have to engage in heated Diet debate between the ruling and opposition camps. The possibility is also growing stronger that the new prime minister will be pressed to dissolve the House of Representatives early next year or later this year.

The successor to Fukuda must be the "face" of the Liberal Democratic Party, because the next Lower House election will certainly be held under the next prime minister. Aso indicated a willingness to run in the presidential election last night. In the past three presidential races, Aso announced his candidacy. Last year, Aso was defeated by Fukuda, but he won more votes from party members around the nation than Fukuda.

Former Prime Minister Mori, who supports Fukuda, said in mid-August: "We must make use of Mr. Aso's popularity. Many LDP members hope that Aso will be the next prime minister."

Even so, when Aso accepted the post of secretary general on Aug. 1, the rumor circulated that Fukuda had promised to Aso to smoothly transfer the premiership to him. Given this, many LDP members do not want a presidential election without a formal vote. Parliamentary Secretary for the MEXT minister Hagiuda stressed: "We want to select the next prime minister after thorough and open discussion within the party on policies."

9) Aso to run for LDP presidential race; Name of Koike also mentioned

YOMIURI (Page 3) (Excerpts)  
September 2, 2008

Secretary General Aso has already expressed his intent to run in the Liberal Democratic Party presidential election, following Prime Minister Fukuda's resignation.

At party headquarters early this morning, Aso said, "I must consider myself as an appropriated candidate." He indicated he would decide to run in the presidential race today. Aso has already conveyed his intention to former Prime Minister Mori. The Aso faction will call a meeting this morning to start preparations for the presidential race.

There are voices also expecting former Defense Minister Yuriko Koike, who is close to the LDP's Hidenao Nakagawa, to run for the office. Although she said late last night that she was surprised by the resignation, she did not reveal how she would respond to the presidential election.

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10) Opposition parties criticize Fukuda's resignation as irresponsible

YOMIURI (Page 4) (Excerpts)  
September 2, 2008

Prime Minister Fukuda's abrupt announcement last night of his decision to step down sent a shock wave across the ruling and opposition camps.

Liberal Democratic Party (LDP) Caucus in the House of Councillors Chairman Otsuji lamented: "I cannot be convinced by it and cannot understand it. I wanted him to do his best and fall on the battlefield." A senior LDP member surmised: "He probably lost confidence in being able to use override votes in the upcoming extraordinary Diet session."

New Komeito President Ota commented: "I think that he came up with that judgment after thorough thought. Since he was saying that he would not allow a political vacuum to be created and would deal with difficult tasks under a new system, I would like to deal with the tasks from tomorrow while taking such words by the prime minister heavily."

With the prime minister's resignation, some anticipate that it has become more likely that the House of Representatives will be

dissolved this year.

An LDP source said: "A party presidential election is held, and then a Lower House election may take place while the new prime minister is still fresh."

But former Secretary General Koichi Kato remarked: "The sudden resignation of two successive prime ministers will inevitably make (the people) feel they are irresponsible. The prime minister's resignation is a serious blow (to the LDP)."

All opposition parties lashed out at the prime minister's abrupt resignation.

Democratic Party of Japan (DPJ) Deputy President Kan emphasized:

"Since the past two administrations, the Fukuda and the former Abe administrations, gave up their work halfway through, the coalition of the LDP and the new Komeito has proved that it cannot assume responsibility for the people. In order to establish a government that is responsible for the people as soon as possible, the Lower House should be dissolved for a snap election. We are determined to form a government led by the DPJ."

Secretary General Hatoyama commented:

"The other side diverts responsibility onto the DPJ, but the LDP was unable to decide on the opening date and the duration of the next Diet session without a hitch due to awkward relations with the New Komeito. Moreover, the LDP had to accept the income tax reduction scheme, though the prime minister had opposed it. Depressed by the New Komeito's control, the prime minister might have felt things were hopeless."

Japanese Communist Party Chairman Shii pointed out:

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"The Fukuda administration, following the former Abe one, left its work halfway. This shows that LDP-New Komeito politics has reached an impasse and that politics is now in a state of dismantlement."

Social Democratic Party of Japan President Fukushima said:

"The LDP threw out Prime Minister Fukuda for the sake of the next Lower House election, while the prime minister abandoned his duty halfway through. Neither of them thinks of the people. This was a cabinet that abandoned the people."

11) U.S. concerned about future course of alliance with Japan

ASAHI (Page 8) (Full)  
September 2, 2008

Prime Minister Yasuo Fukuda's abrupt announcement has taken major powers by surprise. His decision has cast a pall over a Japan-China-South Korea summit planned for later this month, as well as over the promised reinvestigation into Japanese nationals by North Korea. There is concern in the United States that the Japan-U.S. alliance might even become destabilized.

Yoichi Kato, Bloomington, Minnesota

Prime Minister Fukuda's abrupt announcement to step down shocked the United States. There have been no signs of Fukuda's resignation on the backdrop of intergovernmental coordination for a visit to the United States by Defense Minister Yoshimasa Hayashi. A U.S. government official said: "There were a series of events leading up to the resignation of former Prime Minister Abe. This time, it was a total surprise."

Center for Strategic and International Studies Japanese Affairs  
Director and former National Security Council Asian Affairs Director Michael Green said: "President Bush has had a favorable impression of Prime Minister Fukuda. The question is what will happen to the administration after this one leaves office."

Will the country be able to install an administration led by someone who is more forceful than Prime Minister Fukuda? It would be good if the divided Diet were to be dissolved as a result of political realignment. But in the event a political situation emerges where the successive administrations end up just as short-lived, the Japan-U.S. alliance, which already seems adrift, might lose its stability, according to Green.

According to a person concerned, discontent is growing in the U.S. government, especially in the Department of Defense, about a lack of prospects for Japan's assistance for Afghanistan and for the realignment of U.S. forces in Japan. People are watching closely how Prime Minister Fukuda's resignation will affect the situation, according to the source.

12) Diplomatic vacuum inevitable; North Korea policy unclear

NIKKEI (Page 2) (Abridged slightly)  
September 2, 2008

Prime Minister Yasuo Fukuda's announcement of resignation is likely to cause a vacuum in the country's foreign policy. His decision is expected to affect the issue of Japanese nationals abducted by North

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Korea as well. With the United States scheduled to have a new administration next January, Japan-U.S. relations are also in an important transitional period. The prime minister's abrupt decision to step down might tremendously undermine the country's national interests diplomatically.

There was a view in the government that Pyongyang would set up an investigative committee later this week and resume a reinvestigation into Japanese nationals abducted by the North, as was promised. "The North might take a wait-and-see attitude toward Japan's next administration," a senior Foreign Ministry official said. In such a case, the abduction issue might again reach a deadlock.

The Fukuda administration had promised that it would partially lift its sanctions against the North in exchange for resuming the reinvestigation. Given the uncertainty that Japan will truly implement this agreement, the North might conclude that there is no need to hurry the reinvestigation.

Asia diplomacy will also suffer a blow. Fukuda endeavored to improve relations with China and South Korea, which turned icy during the Koizumi administration. Coordination is underway for a Japan-China-South Korea summit for Sept. 21 independent from any international conference. The timetable for that has also become unclear.

13) No prospects in sight for reinvestigation into Japanese nationals abducted by North Korea

ASAHI (Page 8) (Full)  
September 2, 2008

Makino, Seoul

Prime Minister Yasuo Fukuda's announcement that he will resign has clouded the fate of North Korea's promised reinvestigation into Japanese nationals abducted by the North despite the agreement reached through bilateral working-level talks in August to produce a conclusion in the fall.

According to a source close to Japan-DPRK relations, North Korea had high regard for Prime Minister Fukuda, who made preparations for the 2002 Japan-North Korea Pyongyang Declaration as chief cabinet secretary. The country had aimed at paving the way for normalized ties with Japan under the Fukuda administration.

Pyongyang has kept a close eye on the Fukuda administration, whose popularity has not improved even after a cabinet shuffle in August. In North Korea, there has been a sense of alarm toward LDP Secretary General Taro Aso, who is regarded as a possible successor to



Fukuda.

North Korea intends to press Japan for a political settlement not to delay normalizing ties with the North over to the abduction issue, whatever the results of its reinvestigation into the fate of Japanese abductees. To that end, a political decision by the Japanese prime minister is indispensable. Japan and North Korea held working-level normalization talks in September last year, but then Prime Minister Abe resigned soon after, causing bilateral relations to stall.

14) Poll: Cabinet support down to 29 PERCENT

TOKYO 00002380 010 OF 013

NIKKEI (Page 1) (Abridged)  
September 1, 2008

The public approval rating for Prime Minister Yasuo Fukuda and his cabinet was 29 PERCENT , the Nihon Keizai Shimbun found from its joint public opinion survey conducted with TV Tokyo on Aug. 29-30, down 9 percentage points from the last survey conducted in early August right after Fukuda's shuffle of his cabinet. The disapproval rating rose 14 points to 63 PERCENT . The ruling Liberal Democratic Party scored 37 PERCENT for its popularity, leveling off from the last survey. However, the leading opposition Democratic Party of Japan (Minshuto) dropped 3 points to 30 PERCENT . A total of 61 PERCENT answered "yes" when respondents were asked if they appreciated a recent agreement reached between the government and the ruling parties on a package of economic stimulus measures, including a uniform income tax break.

The Fukuda cabinet's support rate, which was below 30 PERCENT in and after April, rose 12 points after its shuffle. However, the figure went back to the level before the cabinet shuffle.

In the breakdown of reasons (on a multiple answer basis) among those who do not support the Fukuda cabinet, 59 PERCENT picked "the prime minister lacks leadership," topping all other answers, followed by "its policies are bad" at 45 PERCENT and "it's unstable" at 32 PERCENT .

The survey was taken by Nikkei Research Inc. by telephone on a random digit dialing (RDD) basis. For the survey, samples were chosen from among men and women aged 20 and over across the nation. A total of 1,549 households with one or more eligible voters were sampled, and answers were obtained from 866 persons (55.9 PERCENT ).

15) Poll: Cabinet support remains low

ASAHI (Page 2) (Full)  
September 2, 2008

The latest rate of public support for Prime Minister Fukuda's cabinet was 25 PERCENT , still remaining low, while leveling off from the 24 PERCENT rating in the last survey taken Aug. 1-2, the Asahi Shimbun found from its telephone-based nationwide public opinion survey on Aug. 30-31. The nonsupport rate was 55 PERCENT , the same as in the last survey. The cabinet support rate has been low at around 20 PERCENT since this April. The Fukuda cabinet's popularity did not rebound even in the survey taken this time right after the government launched a comprehensive economic stimulus package.

The Fukuda cabinet's inaugural support rate was 53 PERCENT in a survey conducted in September last year right after Fukuda became prime minister. However, the Fukuda cabinet's approval rating dropped to 31 PERCENT in a survey taken in mid-December due to the government's pension record-keeping flaws. It further went down to 25 PERCENT in April this year when the government started a new but controversial healthcare insurance system for the elderly, and shrank to 19 PERCENT in a survey taken this May following the ruling coalition's taking of a second vote in the House of Representatives on a government-proposed bill to use gasoline taxes for road-related revenues.

The survey this time introduced the fact that the government's economic package, which is to deal with rising prices and economic downturn, incorporates a uniform tax break. In the survey, respondents were asked if they appreciated this economic package. In response to this question, 46 PERCENT answered "no," with 35 PERCENT saying "yes." Even among those who support the ruling Liberal Democratic Party, there was a split of opinion, with 45 PERCENT affirmative and 37 PERCENT negative. Among those who support the leading opposition Democratic Party of Japan (Minshuto), "yes" accounted for 33 PERCENT, with "no" at 52 PERCENT. Respondents were also asked if they were in favor of issuing deficit-covering government bonds. To this question, "no" accounted for 67 PERCENT, with "yes" at 15 PERCENT.

The government and the ruling coalition plan to present a bill to the Diet at its forthcoming extraordinary session to extend the new Antiterrorism Special Measures Law in order for Japan to continue the Maritime Self-Defense Force's refueling activities in the Indian Ocean. In this connection, the survey asked respondents if they thought Japan should continue the MSDF's refueling mission in the Indian Ocean. To this question, 50 PERCENT answered "no," with 37 PERCENT saying "yes."

Respondents were further asked which political party they would vote for in their proportional representation blocs if they were to vote now. To this question, the DPJ scored 31 PERCENT (32 PERCENT in the last survey), with the LDP at 27 PERCENT (25 PERCENT in the last survey). In the breakdown of public support for political parties, the LDP stood at 26 PERCENT (23 PERCENT in the last survey), with the DPJ at 20 PERCENT (22 PERCENT in the last survey).

16) "LDP-New Komeito administration must end," DPJ President Ozawa declares in declaring his candidacy to serve as party head for third term

ASAHI (Page 1) (Full)  
Evening, September 1, 2008

Democratic Party of Japan (DPJ or Minshuto) President Ozawa during a press conference on the morning of September 1 formally declared his candidacy for the party's upcoming presidential election. His election without a vote will be determined on the 8th, the day for the official announcement of the party presidential election, because no other DPJ members have obtained the required number of signatures to contest the race. His term will be two years. He will be formally selected to the post at the special party convention on the 21st.

Ozawa during the press conference noted: "I will run in the party presidential election to be officially announced on the 8th. These days, many people are finding it difficult to live a decent life despite working hard. Politics and the economy are becoming increasingly unstable throughout the world. The government led by the LDP and New Komeito does not understand ordinary people's day-to-day lives and does not have capability to address their problems. The DPJ must create a new administration and build a new Japan."

Speaking of his determination to serve his third term, Ozawa revealed his plan to release on the 8th campaign pledges for the

presidential election, saying: "I will make clear my policy and determination if I am elected on the 21st. I will issue a brief policy stance on the 8th." Concerning a manifesto for the next Lower House election, he said, "I will compile one based on my policy stance."

Regarding the selection of more than 20 supporters needed to run in the presidential race, Ozawa said with Deputy President Naoto Kan,

Secretary General Yukio Hatoyama and Azuma Koshiishi, head of the DPJ caucus in the Upper House, in mind, "I left the matter to fellow party members to work out." His plan is to demonstrate an all-party setup by obtaining endorsements based a broad-based approach.

Concerning the selection of members of the party leadership, he simply stated, "I must refrain from mentioning that until the presidential election ends on the 21st." The likelihood is that Ozawa will keep Kan, Hatoyama and Koshiishi in their present posts. The focus of attention will be on the treatment of Vice President Katsuya Okada and Public Relations Committee Chair Yoshihiko Noda.

17) Pelosi asks Kono for continued MSDF refueling mission

ASAHI (Page 2) (Full)  
Evening, September 1, 2008

Visiting U.S. House of Representatives Speaker Nancy Pelosi held a meeting with Lower House Speaker Yohei Kono in the Diet building earlier today. Touching on the Maritime Self-Defense Force's refueling mission in the Indian Ocean, Pelosi said: "We have high regard for it. It is the view of not only the Democratic Party but also of the United States as a whole, including the Republican Party. We earnestly hope Japan will continue the mission."

Indicating that Afghanistan is the main battlefield in the war on terror, Pelosi defined in the meeting reconstruction assistance, including the refueling operation, as necessary activities in the war on terror. Kono said, "The government is considering discussing related bills in the upcoming extraordinary Diet session. Stormy developments are expected, as the opposition bloc is against it."

Pelosi is visiting Japan to attend the seventh Group of Eight house speakers' meeting to be held on Sept. 2 in Hiroshima.

18) MSDF postpones training with Russia

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September 2, 2008

The government decided yesterday to postpone a bilateral naval search and rescue exercise (SAREX) scheduled for this month between the Maritime Self-Defense Force and Russia's Far Eastern navy. The North Atlantic Treaty Organization (NATO) and Russia have suspended maritime cooperation, including joint training exercises, due to the standoff of the United States and Europe with Russia over the Georgia conflict. The government judged that it would have to carefully watch the situation. SAREX has been conducted since 1998, and this is the tenth time for SAREX to be carried out between Japan and Russia. It is the only bilateral training exercise between the two countries' military forces. SAREX has been conducted in anticipation of sea accidents, and the MSDF and the Russian navy cooperate to search and rescue missing persons.

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Regarding the postponement this time, the government has also indicated that Russia has shown understanding on missile defense being promoted between Japan and the United States and that the security environment of Japan quite differs from that of Europe. Japan will postpone the SAREX session for a while. Meanwhile, Defense Minister Hayashi will shortly visit the United States. After his return home, the government will ask the Russian navy to reschedule the exercise.

The joint training exercise had been initially scheduled to be carried out in waters off Sasebo, Nagasaki Prefecture, from Sept. 9. However, a Russian missile destroyer is to enter the port of Sasebo, where the U.S. Navy controls piers. The MSDF therefore changed the port to its Maizuru base in Kyoto Prefecture and also changed the training area to waters in the Sea of Japan off Maizuru.

Defense exchanges between Japan and Russia started after the first official visit of a Defense Agency director general (state minister) to Russia in 1996. This fall, following SAREX, Ground Self-Defense Force echelon staff officers will visit Russia to see a Russian army

drill for the first time. In addition, the Air Self-Defense Force's Northern Air Defense Force commander is also scheduled to visit Russia.

ZUMWALT